

AR51

DYLEX
1971





DIRECTORS

L. H. Posluns
J. F. Kay
W. Posluns
I. Posluns
J. Posluns
S. F. Kay
D. Korn
L. Weinberg
A. H. Zaldin, Q.C.
H. J. Stitt
W. H. Singer

EXECUTIVE OFFICERS

L. H. Posluns, Chairman of the Board
J. F. Kay, President
I. Posluns, Executive Vice-President
J. Posluns, Executive Vice-President
W. Posluns, Secretary and Treasurer

TRANSFER AGENT & REGISTRAR

National Trust Company, Limited

AUDITORS

Wm. Eisenberg & Co., Chartered Accountants

BANKERS

Bank of Montreal

LISTED ON

Toronto Stock Exchange

HEAD OFFICE

637 Lake Shore Boulevard West, Toronto, Canada.

THE COVER

Tip Top shows the latest fashions in men's wear
at Sherway Gardens in Toronto; opened February 1971.

Contents

Highlights	1
President's Report, To Our Shareholders . .	2- 3
Photographs of Activities	4- 9
Financial Statements	10-15
Statistical Review	16

Annual Meeting

The annual general meeting of Shareholders will be held at 637 Lakeshore Boulevard West, Toronto, Ontario, on Monday May 3, 1971 at 2.00 p.m.

Highlights

	1971	1970
Results for Year		
Net sales	\$90,930,000	\$77,292,000
Earnings from operations before depreciation and interest†	3,866,000	3,968,000
Earnings before extraordinary items	580,000	1,108,000
Net earnings	882,000	1,215,000
Per Share Results		
Earnings from operations before depreciation and interest	1.34	1.44
Earnings before extraordinary items20	.40
Net earnings31	.44
Financial Position		
Working capital	10,118,000	10,019,000
Fixed assets (net)	13,151,000	11,149,000
Long term liabilities	8,876,000	7,510,000
Shareholders' equity	\$31,349,000	\$30,379,000
Retail Stores		
Number of stores	109	115
Store space (in square feet)	700,000	626,000

†Earnings from operations before depreciation and interest' include pre-tax earnings of non-consolidated subsidiaries.

To Our Shareholders:

During the year under review, considerable progress was made. Sales reached a record high of \$90,930,000 and profits showed improvement during the latter part of the year despite the costs of previously committed retail store expansion, and the severe effects of the downturn in the economy.

Earnings from operations before depreciation and interest held at \$3,866,000 compared to \$3,968,000 in the previous year including pre-tax earnings of non-consolidated subsidiaries. Higher depreciation and interest costs, related to increased retail investment, resulted in the reduction of net earnings from \$1,215,000 in 1970 to \$882,000 in 1971. This includes extraordinary net gains of \$107,000 in 1970 and \$302,000 in 1971. Working capital was maintained despite the increased sales volume and additions of \$4,057,000 to fixed assets.

Our concern in the past has been to set our retail divisions in order and here we have made the most progress. The profit contribution of the retail group in 1971 was considerably more than in previous years and the trend to date has continued. Unfortunately, some of our other divisions were adversely affected by the current economic conditions and did not perform as well as in the past. In our opinion this situation is temporary for these divisions. However, we expect these divisions will enjoy growth in sales and earnings as the economy improves.

RETAILING

Retailing has become an increasingly dominant activity in the company. Recent results show increased sales and improved contributions to profits. During the year, fifteen new stores were opened across Canada in nine cities — Montreal, Kingston, Toronto, Windsor, Thunder Bay, Winnipeg, Saskatoon, Edmonton and Lethbridge. This expansion was committed in the prior year as part of our planned program to become firmly established in major centers across Canada. A number of uneconomic stores were closed or franchised.

The Fashion Council stores, offering fashion apparel at a medium price, are showing a marked improvement. Big Steel, which offers high-fashion to the young, has been expanded to form a major department within eight of the larger-volume Fashion Council stores.

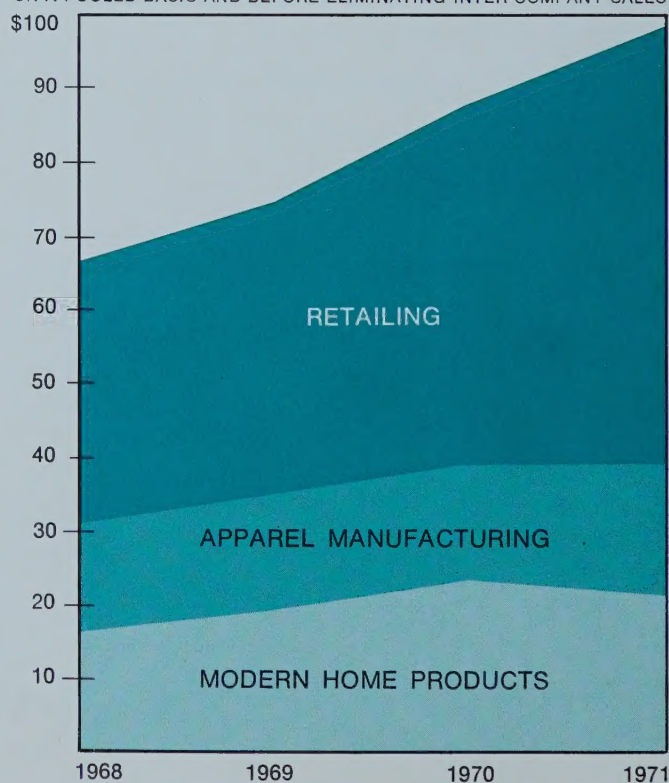
Tip Top is finding profitable approaches to deal with the new fashion emphasis in male clothing. The chain is now serving two distinct markets: the fashion conscious and the price conscious. Stores and merchandise lines are being developed accordingly.

Canadian Clothiers, the manufacturing arm of Tip Top, has been further streamlined and more fully integrated with the retail operations. This consolidation has benefited both operations and is allied to the modifications of Tip Top's merchandising techniques. The results have been increased sales and profits with lower inventories.

Family Fair operations are well defined and have established a good initial working position on which to build. The wide appeal of Family Fair values is shown by a doubling of sales volume in the past year.

SALES BY GROUP (millions of dollars)

ON A POOLED BASIS AND BEFORE ELIMINATING INTER-COMPANY SALES





Subsequent to year-end, three stores were opened in the new Sherway Gardens enclosed mall in Toronto. This exciting new shopping center is receiving excellent public response and our stores will receive their full share of this acceptance.

APPAREL MANUFACTURING

The apparel manufacturing group has felt the impact of depressed consumer spending, in some cases more severely than others, but it has come through the year in sound condition. Sales were maintained, but profits were lower. However, the potential for growth in these markets holds forth the promise of improved trading results this coming year and into the '70s.

We expanded our children's apparel division through the acquisition in March 1970 of Manchester Children's Wear, a Montreal-based manufacturer of children's coats.

National Knitting entered into the production of knitted women's wear, which is becoming a more important part of today's wardrobe.

Throughout the apparel group, noticeable economies have resulted from increasing our market penetration with larger retailers. Most of the divisions now sell a significant portion of their production to well-known retailers in Canada and the United States.

MODERN HOME PRODUCTS

Cadillac Building Products expanded its facilities for manufacturing pre-assembled house components. Its new 24,000 sq. ft. plant was completed in August to produce the panel assemblies required to erect a complete single-family house.

Singer Lighting obtained increased space at its new premises on Carlaw Avenue in Toronto. The added space and new systems will enable the more efficient manufacture of lighting and wall products. Dylex Designs has been formed to co-ordinate Artâge, Emanuel Products, Singer Lighting, and Troister — our Home Furnishings activities — in the retail and commercial field.

The Packaging and Household Products divisions were expanded. Production was increased by the addition of

bulk handling systems and equipment. Marketing activities for the operation were enlarged to handle the entry into the United States market for garbage bags.

SUMMARY AND OUTLOOK

Much has been achieved since the formation of your company more than three years ago from a diversified group of independent companies. The prospect of substantial savings is now emerging as a result of tight cost and inventory controls, and our turnaround in recent months has poised the company for a healthy and continuing rate of growth over the next five years.

The economic climate for the coming year depends to a large extent on the effectiveness of government action to stimulate the economy. Your company is now geared to profitable operation at current levels of activity. We expect that consumer confidence will have improved significantly before the important autumn and Christmas selling seasons.

If federal government intentions to increase housing construction are successful, they will bring a particular resurgence of activity to our home products group.

The major portion of retail expansion is behind us now. Our markets are more clearly defined, and we have developed a sound position in those markets. Our reorganization is essentially complete, and we are now better equipped to enter the new year.

OUR PEOPLE

Our people are our greatest asset. The future of our company — their company — depends on their continued enthusiasm, skill and diligence.

On behalf of the Board of Directors,

Toronto
April 1, 1971

J. F. Kay
President

TIP TOP PRESENTS YOUTHFUL FASHIONS

in smartly furnished stores with prime locations such as Fairview Mall in Toronto.



SUCCESS OF TIP TOP

as a leading men's wear store depends increasingly on fashion awareness.



OUR FOCUS IS ON THE CUSTOMER

FASHION WITH VALUE

at Family Fair: a wide variety of budget priced clothing for the whole family.



FASHION WITH FLAIR

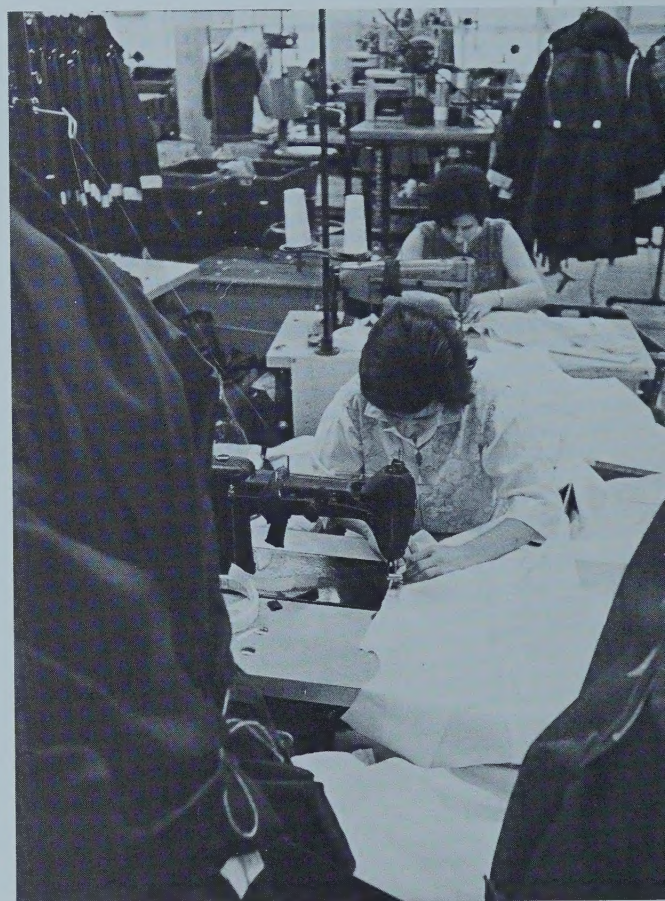
at Fashion Council: a unique collection of stores and fashion for the young sophisticate.





A LOOK AT APPAREL MANUFACTURING

through spools of thread, a symbolic view of the 'needle' industry.



SKILLED OPERATORS AT POSLUNS

sew a wide range of misses' and women's coats sold in Canada and the U.S.A.



KNITTING MACHINES IN ACTION

at National Knitting: part of the production process from raw fibre to finished knitted garment.



CAREFUL INSPECTION OF GARMENTS
at Canadian Clothiers is done before shipping to Tip Top and other retailers across Canada.



EMPHASIS ON CRAFTSMANSHIP REMAINS
as a vital part of the production of high quality garments for men.

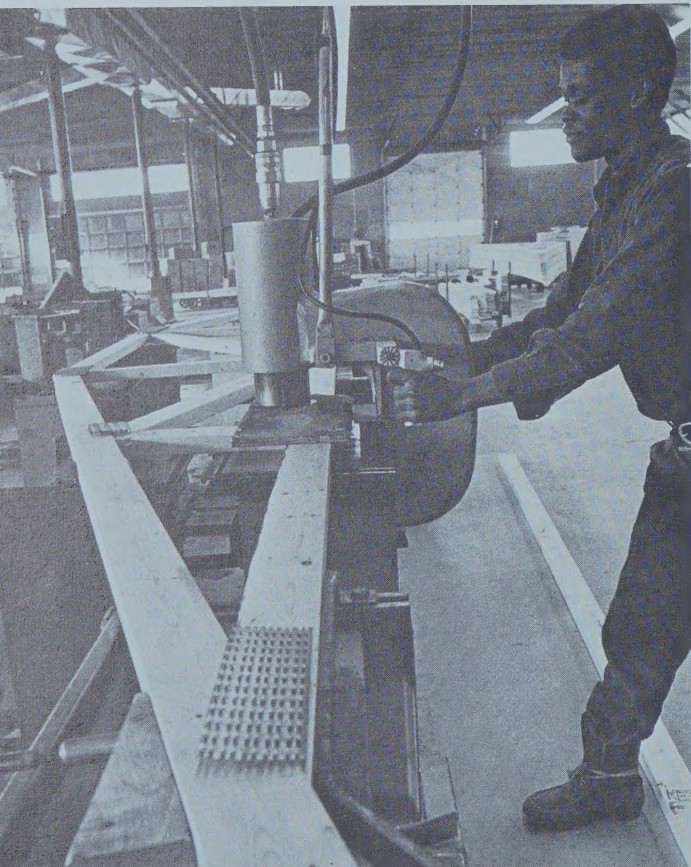


CONTROLLED USE OF MASS PRODUCTION
techniques provide for efficient production of quality clothing at popular prices.

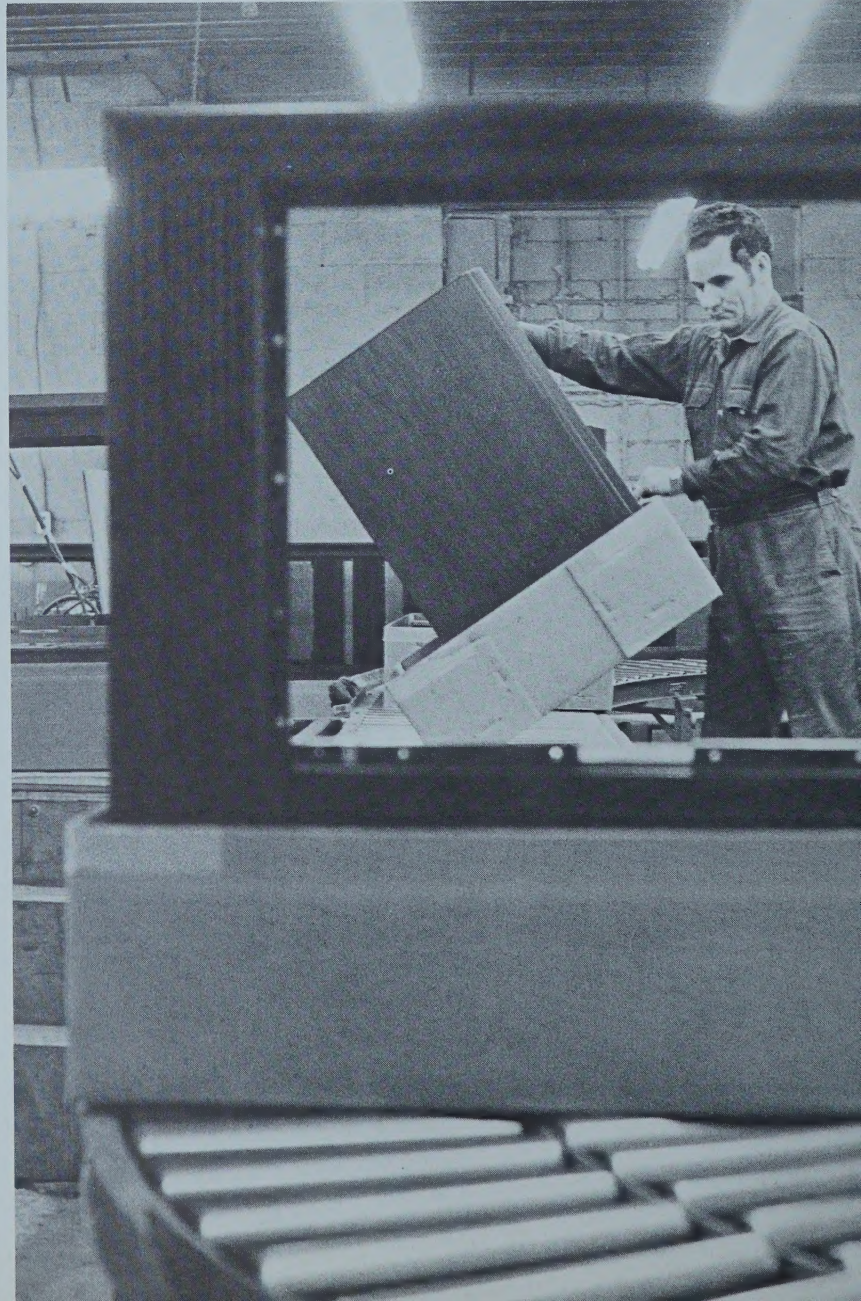


LINE OF PLASTIC FOOD CONTAINERS
produced by the Plastics Division, together
with polyethylene film and garbage bags.

INSPECTION OF TELEVISION CABINETS
at Emanuel ensures that product specifica-
tions and standards are met.



PRE ASSEMBLED HOUSE COMPONENTS
are constructed by Cadillac Building Prod-
ucts in their new plant.





'DYLEX DESIGNS' BEGINS INTEGRATION
of home furnishings: lamps by Singer, furniture by Troister and Artâge, and cabinetry by Emanuel.

CONSTANT EFFORT TO IMPROVE
operating efficiency results in mechanization of basic tasks as sharpening saw blades.



SHOWROOM AT TROISTER
provides an attractive showcase for its upholstered furniture: pleasing designs at moderate prices.

Consolidated statement of retained earnings

	January 30, 1971	January 31, 1970
	(thousands of dollars)	
Retained earnings at beginning of year	\$ 5,855	\$ 4,699
Add: Net earnings for year	882	1,215
Transfer from appraisal excess (note 5)	22	56
	<u>6,759</u>	<u>5,970</u>
Less: Dividends — class “A” preference shares	24	45
Prior years’ income tax adjustments	—	70
	<u>24</u>	<u>115</u>
Retained earnings at end of year	\$ 6,735	\$ 5,855

Consolidated statement of source and application of funds

	January 30, 1971	January 31, 1970
	(thousands of dollars)	
Source of Funds		
Net earnings for the year	\$ 882	\$ 1,215
Add (Deduct) charges not involving cash outlay:		
Depreciation and amortization	1,286	895
Equity in earnings of non-consolidated subsidiary and affiliates	(109)	(46)
Decrease in deferred income taxes	(125)	(10)
Funds from operations	1,934	2,054
Net book value of fixed asset disposals	927	250
Increase in long-term debt	2,268	1,765
Convertible debenture proceeds	—	1,500
Issue of capital stock	112	4,832
Increase in minority interest	12	—
	<u>5,253</u>	<u>10,401</u>
Application of Funds		
Addition to fixed assets	4,057	5,599
Increase in investments and loans receivable	63	498
Increase in excess of assets acquired over book values (note 6)	113	6,897
Increase in deferred charges	137	112
Reduction in long-term debt	760	658
Payment of dividends	24	45
Prior years' income taxes	—	70
	<u>5,154</u>	<u>13,879</u>
Increase (Decrease) in working capital	<u>\$ 99</u>	<u>\$(3,478)</u>
Working capital at end of period	10,118	10,019
Working capital at beginning of period	10,019	13,497
	<u>\$ 99</u>	<u>\$(3,478)</u>

The accompanying notes are an integral part of the financial statements.

Consolidated balance sheet

ASSETS

	January 30, 1971	January 31, 1970
	(thousands of dollars)	
Current		
Cash and short term deposits	\$ 310	\$ 79
Marketable securities (Market value 1971 — \$16,000; 1970 — \$19,000)	31	31
Accounts receivable (note 2)	8,027	7,015
Inventories (note 3)	18,452	18,889
Prepaid expenses	442	504
Advances to shareholders	168	—
Advances to wholly-owned acceptance company (note 1)	85	200
	<u>27,515</u>	<u>26,718</u>
Investments and Loans Receivable		
Investment in non-consolidated subsidiary (note 1)	107	68
Investment in affiliates (note 1)	93	54
Advances to non-consolidated subsidiary (note 1)	—	43
Advances to affiliates (note 1)	301	301
Mortgages and other investments — at cost	281	116
Advances to key employees to purchase shares (note 4)	1,238	1,408
	<u>2,020</u>	<u>1,990</u>
Fixed		
Land (note 5)	1,429	1,572
Buildings (note 5)	4,603	3,608
Machinery, equipment and leasehold improvements — at cost	14,665	12,659
	<u>20,697</u>	<u>17,839</u>
Less: accumulated depreciation	7,546	6,690
	<u>13,151</u>	<u>11,149</u>
Other		
Excess of cost of assets acquired over book values (note 6)	14,751	14,638
Deferred charges at cost less amortization	119	140
Deferred income taxes (note 7)	78	(47)
	<u>14,948</u>	<u>14,731</u>
	<u>\$57,634</u>	<u>\$54,588</u>

The accompanying notes are an integral part of the financial statements.

LIABILITIES

	January 30, 1971	January 31, 1970
	(thousands of dollars)	
Current		
Bank indebtedness (note 8)	\$ 4,311	\$ 3,013
Banker's acceptances	3,000	3,000
Accounts and notes payable and accrued liabilities	8,949	9,702
Taxes payable	1,137	984
	<u>17,397</u>	<u>16,699</u>
Long-Term		
Notes payable (note 9)	3,412	2,245
Mortgages payable (note 9)	2,726	2,385
Convertible debenture payable (note 9)	1,500	1,500
Bank loan — key employee stock plan (note 4)	1,238	1,380
	<u>8,876</u>	<u>7,510</u>
Minority Interest (note 1)	<u>12</u>	<u>—</u>

SHAREHOLDERS' EQUITY

Capital Stock		
Authorized		
3,000,000 common shares without par value		
10,000,000 class "A" participating preference shares without par value		
1,000 class "B" non-participating preference shares without par value		
Issued and fully paid		
463,210 common shares	1,949	1,949
2,429,573 class "A" shares (note 10)	20,854	20,742
Excess of appraised value of fixed assets over cost (note 5)	1,811	1,833
Retained earnings	6,735	5,855
	<u>31,349</u>	<u>30,379</u>
	<u>\$57,634</u>	<u>\$54,588</u>

APPROVED ON BEHALF OF THE BOARD

J. F. KAY, Director

W. POSLUNS, Director

Notes to consolidated financial statements

as at January 30, 1971

1. Principles of consolidation

The consolidated financial statements include the accounts of the following wholly-owned subsidiaries:

Ackripak Limited	Macsam Investments Limited
Bradford Spinners Limited	Manchester Children's Wear Co.
Dylex Diversified Inc.	National Knitting Mills Company Limited
Emanuel Products Limited and Controlled Subsidiary	The Pines Drugs Limited
The Family Fair Stores Limited	Harry Rosen Men's Wear Limited
The Fashion Council Group of Corporations	Sobel, Newman & Kutner Limited
Hareve Leasehold Investments Limited	Troister & Company Limited
	The Young Canadian Clothiers Limited

The consolidated financial statements do not include the accounts of Dylex Acceptance Corporation Limited, a wholly-owned finance company which is not consolidated because of the different nature of its business. The investment in this subsidiary and in an affiliate, Brody's Town & Country (1967) Limited, (50% Owned) is carried on the Consolidated Balance Sheet at cost, plus the Company's share of undistributed net earnings since acquisition.

2. Accounts receivable

Included in accounts receivable are non-trade receivables amounting to \$342,000 (\$150,000 in 1970).

3. Inventories

The inventories are valued at the lower of cost and net realizable value except for retail lines not manufactured by the Company which are valued at the lower of cost and net realizable value, less normal profit margins.

4. Key employee stock plan

75,000 common shares and 325,000 class "A" participating preference shares have been allocated to the Trustees of the Company's key employee stock plan to be issued to full-time key employees of the Company at a price not exceeding a 15% discount from market at the time of allotment. As at January 30, 1971, 75,000 common shares and 249,283 class "A" participating preference shares have been issued to key employees. To facilitate the purchase of these shares by key employees, the Company has borrowed from its bankers \$1,238,000 as at January 30, 1971, to be repaid over a period not exceeding ten years.

5. Property appraisal

On December 29, 1967, the property at 637 Lakeshore Boulevard West, Toronto, was appraised by W. H. Bosley & Co. Ltd. at a value of \$2,750,000. As a result of this appraisal, the value of this property has been increased, resulting in an excess of appraised value over depreciated cost of \$1,889,000. The appraisal excess applicable to the building is being transferred to Retained Earnings in amounts equal to the realization of appreciation through depreciation provisions.

6. Acquisitions

The following transactions were completed during the year ended January 30, 1971 and resulted in an increase in the excess of cost of assets acquired over book values amounting to \$113,000:

The purchase of all the issued shares of Manchester Children's Wear Co. and Sobel, Newman & Kutner Limited.
The adjustment of prior years' acquisitions.

7. Deferred income taxes

Income tax reductions which are expected to be realized in future years by carrying forward losses of certain subsidiaries and thereby reduce future taxable income. These income tax benefits are contingent on earning future profits against which losses may be applied. In the view of management, it is virtually certain that these reductions will be realized and the reduction of future income taxes has been recorded in the period when the loss was incurred

	\$521,000
Less: Deferred income taxes provided in respect of depreciation claimed for income tax purposes in excess of amounts recorded in the accounts	443,000
	<u>\$ 78,000</u>

8. Bank indebtedness

This amount is secured by a general assignment of book debts and inventories.

9. Long-term liabilities

Notes payable

7% subordinated promissory notes, final payment due February 15, 1972 with interest increased to 10% from December 29, 1971

8% promissory notes, secured by a mortgage, due March 1, 1979

Bank loan (note 8)

Other notes (secured \$62,000)

\$1,060,000
673,000
1,000,000
679,000
<u>\$3,412,000</u>

9. Long term liabilities (cont.)

Mortgages payable

9¼ % first mortgage, final payment due October 15, 1973	\$1,726,000
First mortgage, interest at prime bank rate plus ½ %, due February 14, 1974	855,000
Other	145,000
	<u>\$2,726,000</u>

Convertible debenture payable, without interest, due July 2, 1974, secured by pledge of all the issued and outstanding shares of National Knitting Mills Company Limited and Bradford Spinners Limited. These debentures are convertible into an aggregate of 50,000 class "A" preference shares \$1,500,000

10. Change in capital stock

Class "A" preference shares	Issued	
Balance, February 1, 1970	2,407,073	\$20,742,000
Acquisition (note 6)	22,500	112,000
	<u>2,429,573</u>	<u>\$20,854,000</u>

11. Long-term leases

The minimum annual rentals on all leased property and equipment amount to approximately \$4,167,000 exclusive of common area charges and additional rent payable on a percentage of sales.

The total minimum rentals payable after January 31, 1976 are approximately \$21,368,000.

In January, 1971, the Company sold property at 90 Yonge Street, Toronto, for a price of \$1,100,000 resulting in a net gain of \$367,000. As part of this transaction, the Company agreed to lease these premises at a net rental of \$137,500 per annum, plus a percentage of sales, for a term of twenty-five years, with an option to renew for an additional ten years.

12. Remuneration of directors and officers

Directors, as such, received no remuneration. The aggregate remuneration paid to 27 senior officers as defined by The Securities Act, 1966 (Ontario), including the executive officers, amounted to \$854,000.

13. Extraordinary items

	1971	1970
Gain on disposal of fixed assets (note 11)	\$367,000	\$ —
Loss on winding up of a division of \$140,000 net of income tax of \$75,000	(65,000)	—
Income tax reductions realized due to prior years' losses	—	107,000
	<u>\$302,000</u>	<u>\$107,000</u>

14. Earnings per share

Earnings per share as shown are for the class "A" shares. Common shares earned 1¢ less.

Earnings per share have been calculated on the weighted average of these shares outstanding during the year.

15. Contingent liabilities

The Company is the defendant in two court actions for damages amounting to a total of \$175,000. In the opinion of the Company's solicitors, these claims are without merit.

The Company is contingently liable as guarantor of bank loans to the following:

Dylex Acceptance Corporation Limited (note 1)	\$3,200,000
Brody's Town & Country (1967) Limited (note 1)	108,000
Other	50,000
	<u>\$3,358,000</u>

Auditors' report to shareholders

WM. EISENBERG & CO. CHARTERED ACCOUNTANTS

To the Shareholders of
Dylex Diversified Limited

We have examined the consolidated balance sheet of Dylex Diversified Limited as at January 30, 1971 and the consolidated statements of earnings, retained earnings and source and application of funds for the year then ended. Our examination of the financial statements of Dylex Diversified Limited, and those subsidiaries of which we are the auditors included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. We have relied on the reports of the auditors who have examined the financial statements of the other subsidiaries.

In our opinion, these consolidated financial statements present fairly the financial position of the companies as at January 30, 1971 and the results of their operations and the source and application of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Ontario
March 24, 1971

WM. EISENBERG & CO.
Chartered Accountants

Statistical review

	Year 1971	Year 1970
Results for year†		
(in thousands of dollars)		
Net sales — Retail	\$54,408	\$45,637
Apparel manufacturing	16,757	13,157
Modern home products	19,765	18,498
TOTAL	90,930	77,292
Earnings from operations	1,089	2,310
Provision for income taxes	509	1,202
Earnings before extraordinary items	580	1,108
Extraordinary items	302	107
Net earnings	882	1,215
Per share results		
Earnings from operations	\$.38	\$.84
Earnings before extraordinary items20	.40
Net earnings31	.44
Financial position		
(in thousands of dollars)		
Current assets	\$27,515	\$26,718
Current liabilities	17,397	16,699
Working capital	10,118	10,019
Fixed assets (net)	13,151	11,149
Long term liabilities	8,876	7,510
Shareholders' equity	31,349	30,379
Book value per share	10.84	10.58
Retail stores		
Number of stores	109	115
Store space (in square feet)	700,000	626,000
Shareholdings		
Common shares outstanding at year end	463,210	463,210
Class A shares outstanding at year end	2,429,573	2,407,073
Average total shares outstanding	2,887,219	2,761,089
Number of shareholders	2,337	2,169

† Year ends on the Saturday closest to January 31st.

REMUNERATION OF MANAGEMENT

- (1) Aggregate remuneration paid or payable by the Company and its subsidiaries to its 27 senior officers during the 12 month period ended January 30, 1971 \$854,000
- (2) Estimated aggregate cost to the Company and its subsidiaries during the 12 month period ended January 30, 1971, of all pension benefits proposed to be paid to the directors and senior officers of the Company under any normal pension plan in the event of retirement at normal retirement age \$ 18,000
- (3) There is in existence in certain subsidiary corporations of the Company and its subsidiaries, profit sharing plans in which certain senior officers of the Company are beneficiaries. The aggregate amount set aside and accrued to date in respect of these agreements is nil. Future payments will be based on participation in the profits of these corporations.
- (4) Each of H. Rosen, L. Robins, I. Levine, B. Sobel, B. Newman, B. Kutner, J. Kay and W. Posluns has been indebted to the Company at some time since February 1, 1970 as follows:

<u>Director or Senior Officer</u>	<u>Largest Aggregate Indebtedness</u>	<u>Nature of Indebtedness & Transaction</u>	<u>Amount Presently Outstanding</u>	<u>Interest Paid or Charged</u>
H. Rosen	\$19,000	Acquisition of a Dwelling Property (Secured by Company)	\$19,000	Nil
L. Robins	\$16,250	Indemnities on sale of Fashion Council Corporations	\$ 4,400	Nil
I. Levine	\$16,250	Indemnities on sale of Fashion Council Corporations	\$ 4,400	Nil
B. Sobel	\$27,600	Acquisition of Property	\$27,600	888
B. Newman	\$28,100	Acquisition of Property	\$28,100	888
B. Kutner	\$30,400	Acquisition of Property	\$30,400	888
J. Kay	\$15,000	Loan	Nil	Nil
W. Posluns	\$15,000	Loan	Nil	Nil

MATERIAL INTEREST

During the year the Company sold for a price of \$1,100,000 a property at 90 Yonge Street, Toronto, to Wildberry Investments Limited, a corporation in which certain senior officers of the Company are directly or indirectly associated. This property was acquired by the Company in June 1969 at a cost, including subsequent additions, of \$746,757. The following senior officers of the Company are directly or indirectly associated with the purchasing corporation: J. F. Kay, 33 Strathearn Road, Toronto; W. Posluns, 63 The Bridle Path, Toronto; I. Posluns, 637 Lakeshore Blvd. West, Toronto; J. Posluns, 23 Park Lane Circle, Toronto; L. Robins, 4 Ardmere Road, Toronto; I. Levine, 123 Glenayr Road, Toronto; E. Faith, 43 Shallmar Blvd., Toronto; S. Gossin, 28 Stormont Avenue, Toronto; and W. Singer, 52 Fifeshire Road, Toronto.

APPOINTMENT OF AUDITORS

The persons named in the enclosed form of proxy intend to vote for the reappointment of Messrs. Wm. Eisenberg & Co., Chartered Accountants, Toronto, as auditors of the Company, to hold office until the next Annual Meeting of Shareholders, at a remuneration to be fixed by the board of directors of the Company. Messrs. Wm. Eisenberg & Co. were first appointed auditors of the Company on April 17, 1967.

APPROVAL OF ACTS OF DIRECTORS

The persons named in the enclosed form of proxy intend to approve and confirm the acts and proceedings of the directors and officers of the Company for the year ended January 30, 1971 as disclosed or referred to in the minute books and records of the Company or in the Financial Statements of the Company.

24 Jan 1971

\$2 + other valuable

considerations

adjustment based

Trump-TR

Cost \$600,000

equity
contribution

500,000

1.1 - net

with 3000.





DYLEX DIVERSIFIED LIMITED

637 LAKESHORE BOULEVARD WEST, TORONTO, CANADA